

### *Highlights Other Efforts to Lower Drug Costs, Improve Health Care for Seniors*

*Bethel, NY* - Congressman Maurice Hinchey (D-NY) today visited the Bethel Senior Citizens Center in Sullivan County to unveil legislation he's pushing through Congress that would quickly lower prescription drug prices for seniors by allowing Medicare to negotiate with pharmaceutical companies for bulk discount deals. Hinchey outlined his plan to seniors during their weekly lunch at the Bethel Senior Citizens Center and then took questions from them about Medicare and other issues of concern.

Current law, which Hinchey has long opposed and voted against, specifically forbids the federal government from trying to get the best deal for Medicare recipients. The legislation that Hinchey is pushing along with Congressman Peter Welch (D-VT) and dozens of their House colleagues, known as the Medicare Prescription Drug Price Negotiation Act, would require the Secretary of Health and Human Services to negotiate prescription drug prices on behalf of Medicare Part D beneficiaries for the first time since 2004, a move that could save taxpayers \$156 billion over ten years. Hinchey and his colleagues are calling for swift action on the standalone drug price negotiation bill, even as Congress works with President Obama to finalize and pass comprehensive health reform legislation.

"Today we seek to finally put an end to the outrageous policy enacted by the previous administration that for no good reason prevents the federal government from negotiating with pharmaceutical companies for discounts on drugs that are being bought in bulk for the Medicare Part D program," said Hinchey. "While Congress continues to work toward a final health care overhaul, this bill would ensure seniors and other Medicare beneficiaries don't have to wait any longer for reduced priced drugs. This bill would put the government on the side of seniors, instead of the drug industry by enabling the government to finally negotiate with drug companies for better prices."

Taxpayers fund more than three-quarters of the cost of the Medicare Part D drug benefit, accounting for \$50 billion worth of drugs in 2009 alone. Yet the program, which serves 28 million seniors, has been barred from negotiating rates with the pharmaceutical industry since 2004. The Department of Veterans Affairs has reduced costs significantly by negotiating rates. One Families USA report found that the top five Medicare Part D insurers charged prices 58 percent higher than the VA for 20 commonly prescribed drugs.

In 2007, the House passed a bill with Hinchey's support similar to the Medicare Prescription Drug Price Negotiation Act of 2010 by a vote of 255 to 170 with strong bipartisan support and 198 cosponsors. The measure gathered further momentum last November when it was included in the Affordable Health Care for America Act and passed by the House with Hinchey's support.

"No one walks into a car dealership and asks for the most expensive car at sticker price, but that's exactly how the federal government is being forced to deal with the drug companies," Hinchey said. "It's outrageous. With such a large number of drugs being bought by Medicare, the federal government should receive a significant bulk discount, which would save a lot of money and lower the costs of this critical health program. This is a common-sense piece of legislation that would end an enormous subsidy to greedy drug companies."

Hinchey also highlighted how the broader health care bill being debated in Congress would benefit seniors in other ways, including through the closing of the so-called donut hole -- which is a gap in prescription drug coverage that forces Medicare Part D enrollees to pay 100 percent of the cost for drugs once they exceed \$2,700 in annual drug costs. Approximately, 7,200 seniors living in the district that Hinchey represents are forced to spend \$3,454 in out-of-pocket expenses, on top of their monthly premiums, before the donut hole closes and they can begin receiving drug coverage again. Hinchey has helped lead the effort in Congress to close the donut hole and such efforts are critical to a successful health care reform bill.

The congressman also discussed his support of a bill that was recently signed into law that protects seniors' access to their physicians by blocking a 21 percent fee reduction that was scheduled to occur on January 1, 2010. Without the legislation, many doctors would have stopped treating Medicare patients because the reimbursement rates would have been too low.

Hinchey also talked with seniors about his efforts to strengthen the economy and to ensure that the children and grandchildren of older Americans have good, well-paying jobs. Last week, Hinchey helped the House pass a bill to create hundreds of thousands of new small business and construction jobs this year, spur private sector hiring, and help rebuild our crumbling infrastructure. The bipartisan Hiring Incentives to Restore Employment (HIRE) Act is part of a larger congressional agenda Hinchey has been supporting to create jobs and strengthen the economy.

The HIRE Act includes a payroll tax holiday for businesses that hire unemployed workers to create some 300,000 jobs and an income tax credit of \$1,000 for businesses that retain these

employees. It also includes tax incentives to help small businesses invest, expand, and hire more workers; provisions to make it easier for states to take up infrastructure projects such as school construction and energy retrofitting; and an extension of the Highway Trust Fund that allows for billions of dollars in infrastructure development around the country.

The American Recovery and Reinvestment Act, which Hinchey actively supported and helped pass last year, has already saved or created more than 2 million jobs – rebuilding our infrastructure and economy for global competitiveness. Through the Recovery Act, 95 percent of working Americans continue to see the benefit of one of the largest tax cuts in history in every paycheck. With Hinchey's support, the House also passed the comprehensive Jobs for Main Street Act to make targeted investments in areas that will grow our economy over the long term – including highways, public transit, construction, small businesses, job training, and hiring and retaining teachers, police officers, and firefighters.